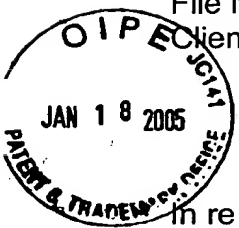


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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES**

In re Application of

GANESAN et al.

Serial No.: 09/208,998

Filed: December 11, 1998

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Group Art Unit: 3622:

Examiner: J. YOUNG

For: TECHNIQUE FOR CONDUCTING SECURE TRANSACTIONS OVER A
NETWORK

SUPPLEMENTAL APPEAL BRIEF

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

January 18, 2005

Sir:

This Supplemental Appeal Brief is submitted concurrently with and in support of the Request for Reinstatement of the Appeal filed June 25, 2002, and in response to an Official Action issued on September 17, 2004.

I. REAL PARTY IN INTEREST

CheckFree Corporation has been assigned all rights in this application, as recorded at Reel 9661, Frame 0730. Accordingly, CheckFree Corporation is the real party in interest.

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II. RELATED PRIOR OR PENDING APPEALS, INTERFERENCES OR JUDICIAL PROCEEDINGS

A prior rejection of all pending claims of the present application was reversed by the Board of Patent Appeals and Interferences, under a decision issued on February 20, 2004.

III. STATUS OF CLAIMS

Claims 1-31 and 34 are pending. Claims 32 and 33 have been cancelled. Each of claims 1-31 and 34 stands rejected and is under appeal.

IV. STATUS OF AMENDMENTS

Amendments have been filed on June 19, 2000 (modifying claims 1,5, 14 and 18), November 21, 2000 (adding claims 24-34), and April 16, 2001 (canceling claims 32-33). The amendments have been entered (the April 16, 2001 amendment being entered upon the filing of the Request for Continued Examination (RCE) on May 14, 2001). No amendments have been filed or entered subsequent to the rejection of September 17, 2004, which is the subject of this appeal.

V. SUMMARY OF INVENTION

As shown, for example in Figure 1 and described on page 11, line 29, through page 13, line 3, in accordance with the invention, a system is provided for conducting cashless transactions in which products, i.e. goods and/or services, purchased via a network interchange are paid for from funds deposited in a purchaser's deposit or credit, e.g. home equity loan, account. Using the system, the purchaser is not required to

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identify the account to the seller, e.g. is not required to disclose the account number.

Although the seller is not privy to the identity of the account, the seller is provided with a high level of security that the purchase price will be paid. Hence, both the purchaser's account and the seller's compensation are secure. Although discussed in terms of purchase and sale transactions, the invention can be easily adapted to other types of transactions such as rentals, loans and bailments.

The system includes a communications network (e.g. network 100) interconnecting a network device (e.g. device 110a-n) associated with a seller, e.g. a merchant, and a network device (e.g. device 130) associated with a financial institute, e.g. a bank, credit union or other holder of purchaser funds in a deposit or credit account. The network could be of virtually any type, but is preferably a wide area public network such as the Internet. The seller network device could, for example, be a network server which is used to offer products to purchasers via a virtual storefront on the network. The financial institute network device may, for example, be a network server controlled by the financial institute itself or by a representative of the financial institute. If the financial institute network device is controlled by a representative, the representative could beneficially represent multiple financial institutes. The seller and financial institute network devices are preferably mainframe computers or high power mini computers, but could, under some circumstances, be workstations or personal computers or other less powerful network devices (see, for example, Figures 11-14 and the description on page 24, line 18, through page 30, line 30).

As, for example, shown in Figures 2-4 and 8 and described on page 13, line 4, through page 15, line 16, in operation, the seller network device receives information identifying a product intended to be purchased at a purchase price by a purchaser. The seller network device also typically receives information identifying the intended purchaser. This latter information could, for example, include the purchaser's name and residential or business address. If the seller allows alternative methods of payment to its customers, the seller network device may also receive information indicative of the purchaser's intention to pay the purchase price through the transfer of deposit or credit account funds. All such information is typically transmitted to the seller network device via the network, by a network device associated with the purchaser. However, if desired, this information could alternatively be provided by the purchaser as direct input to the seller network device using a keyboard, mouse, voice digitizer or other user input device. The purchaser network device could be of any various types, but is most commonly a personal computer (see, for example, Figures 9 and 10 and the description on page 20, line 15, through page 24, line 17).

As discussed above the payment of the purchase price will be made by a transfer to the seller of funds of the purchaser on deposit in a deposit account or credited to a credit account. To avoid jeopardizing the security of the deposit or credit account, which could occur if, for example, the identity of the account were transmitted over the network without being first encrypted, or were stored in an unencrypted form on the seller network device, or were simply disclosed to a seller intent on fraudulently

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withdrawing funds from the account, the identity of the account is not communicated to and remains unknown to the seller.

To facilitate payment, the financial institute network device receives, via the network either directly from the purchaser or through the seller, the authorization of the purchaser to pay the purchase price for the identified product through the transfer to the seller of funds in the deposit or credit amount. Preferably, the financial institute network device also determines if the deposited or credited funds are sufficient with respect to the purchase price. Generally this will require that the funds equal or exceed the purchase price; however, in certain implementations, the financial institute or its representative may provide some overdraft protection and hence deposited or credited funds equaling less than the purchase price could, in such implementations, be determined sufficient. If sufficient funds are available in the account, the financial institute network device transmits, via the network, an authorization for the seller to proceed with delivery of the identified product.

In a preferred implementation, the purchaser network device beneficially includes search engine and browser software which can be used to locate the seller's network address, and to access information stored at the address and download it to the purchaser network device. More particularly, the purchaser network device searches the network using the search engine to locate the network address of a seller having products of interest. The purchaser network device then uses Web browser to access the seller's "homepage" and other information available at the seller's network address.

Responsive to commands entered at the purchaser network device, for example using a keyboard, mouse or other user input device, information relating to the purchase of products available from the seller is transmitted by the seller network device to the purchaser network device via the network. Such downloaded information will typically identify the products available for purchase, the purchase price associated with each of the respective products, and the available payment options. For example, the payment options may include the transfer to the seller of the deposited or credited funds, credit card payment and/or a debit card payment.

Using a user input device, the inputs can then be entered, at the purchaser network device to select a product from the available products for purchase. Inputs can also be entered to select payment of the purchase price through the transfer of the deposited or credited funds, from the available payment options. This information is transmitted by the purchaser network device to the financial institute network device. Typically, this information is also sent to the seller network device via the network. The information transmitted will also identify the purchaser and seller to the financial institute network device. If the purchaser has not been previously identified to the seller network device, the information transmitted to the seller network device will also include information identifying the purchaser. The transmitted information may also identify the financial institute to the seller.

The purchaser network device beneficially transmits this information to the seller and financial institute network devices automatically in response to the selecting

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payment by the transfer of deposited or credited funds. The transmission to the financial institute network device is preferably implemented using a hyperlink which automatically establishes a link from the purchaser network device to the financial institute network device upon selection of the applicable payment option.

As, for example, depicted in Figures 5-8 and described on page 15, line 9, through page 19, line 24, with a network link established between the financial institute and purchaser network devices, the financial institute network device can transmit a request to the purchaser network device for authorization to transfer deposited or credited funds to the seller in payment of the purchase price of the identified products. Responsive to the request, the purchaser enters an authorization at the purchaser network device which is transmitted to the financial institute network device via the network. If desired, the seller network device may be required to transmit a notice of delivery of the product to the financial institute network device via the network, before any transfer of the deposited or credited funds to the seller occurs. In such a case, the financial institute network device transmits, via the network, a directive to transfer the funds from the deposit or credit account to the seller responsive to receipt of the notice of delivery. Typically, after the funds have been transferred, the financial institute network device will transmit to the purchaser network device, via the network, an account statement indicating the deposited or credited funds have been transferred from the account to the seller in payment of the purchase price of the identified products.

VI. GROUNDS FOR REJECTION PRESENTED FOR REVIEW

- 1.) The anticipation of claims 1, 2, 8-10 and 17 under 35 USC §102(e) by Sandberg-Diment (U.S. Patent No. 5,826,245).
- 2.) The anticipation of claims 18, 19, 24, and 27-30 under 35 USC §102(e) by Kravitz (U.S. Patent No. 6,029,150).
- 3.) The obviousness of claims 3-7, 11-16, 20-23, 25-26, 31 and 34 under 35 USC §103(a) over Sandberg-Diment (U.S. Patent No. 5,826,245) in view of Kravitz (U.S. Patent No. 6,029,150).

VII. BRIEF DESCRIPTION OF THE REFERENCES

Sandberg-Diment

Sandburg-Diamment discloses a technique for conducting transactions in which the identity of the purchaser's credit card account remains' unknown to the seller. As described in column 3, lines 9-20, the purchaser (represented by computer 12) sends a portion of its credit card account number to the credit card verification agent 20, and another portion of its credit card account number along with its purchase order etc. to the merchant. As described in column 3, lines 37-42, the merchant must then send the portion of the consumer's credit card account number which was transmitted by the consumer to the merchant, along with the price corresponding to the consumer's order, to the verification agent for approval of the transaction.

As described in column 3, lines 60-65, in a later step, the merchant must again present the portion of the consumer's credit card account number that it had been provided by the consumer, along with the approval code associated with the verification agent's approval of the transaction, the price of the ordered goods and an identification

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of those goods to the credit card company. Based upon this latter submission, the credit card company debits the consumer's credit card account (and as is customary, bills the consumer for the debited amount) and credits the merchant's account for the price of the order (the funds transferred to the seller conventionally being funds on deposit in a credit card company demand deposit account).

Kravitz

Kravitz, as perhaps best described in the overview in column 11, line 50, through column 13, line 55, discloses a secure payment system for making payments of a purchase price through the transfer to the seller of funds from a purchaser account at a financial institution, and without the seller knowing the identity of the purchaser account.

As described in column 12, line 49 through column 13, line 36, the merchant provides the customer with product information and a price, which is forwarded by the customer in a payment request message 128 to the bank's agent CTA 102, along with the customer's request that the bank make a payment by the transfer to the seller's bank of funds from the purchaser's account.

The bank's agent (i.e., CTA 102) returns payment advice 130 which confirms the bank's intent to make the payment by the transfer of funds to the customer, and the customer forwards this payment advice to the merchant. The merchant then delivers the product based upon the confirmation that the bank intends to transfer the funds.

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VIII. THE REJECTION

In the Official Action dated September 17, 2004, claims 1, 2, 8-10 and 17 stand rejected as anticipated, under 35 USC §102(e), by newly cited Sandberg-Diment (U.S. Patent No. 5,826,245), claims 18, 19, 24, and 27-30 stand rejected as anticipated, under 35 USC §102(e), by newly cited Kravitz (U.S. Patent No. 6,029,150), and claims 3-7, 11-16, 20-23, 25-26, 31 and 34 stand rejected as obviousness, under 35 USC §103(a), over Sandberg-Diment in view of Kravitz.

IX. ARGUMENT

Appellants respectfully traverse the rejections based on the prior art applied against the claims now pending on appeal. As discussed below in detail, it is respectfully submitted that the Examiner has not met the burden of proof in establishing that the appealed claims are anticipated or obvious. It is further respectfully submitted that the rejection relies upon art that has been combined without any motivation to do so. It is additionally respectfully submitted that the rejection lacks the requisite supporting factual basis and/or reasonable rationale, and accordingly cannot be understood. Further still, it is respectfully submitted that the art applied in rejecting the claims neither teaches nor suggests the claimed invention. It is also respectfully submitted that recited limitations have been effectively ignored, the relied upon art has been construed in a manner inconsistent with its own teaching and the rejection is at best based on an improper hindsight reconstruction of the claimed invention.

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1. THE EXAMINER HAS FAILED TO ESTABLISH A PRIMA FACIE CASE

The initial burden of establishing a basis for denying patentability to a claimed invention rests upon the examiner. In re Fine, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988); In re Thorpe, 777 F.2d 695, 227 USPQ 964 (Fed. Cir. 1985); In re Piasecki, 745 F.2d 1468, 223 USPQ 785 (Fed. Cir. 1984).

The limitations required by the claims cannot be ignored. See In re Wilson, 424 F.2d 1382, 165 USPQ 494 (CCPA 1970). All claim limitation, including those which are functional, must be considered. See In re Oelrich, 666 F.2d 578, 212 USPQ 323 (CCPA 1981). Hence, all words in a claim must be considered in deciding the patentability of that claim against the prior art. Each word in a claim must be given its proper meaning, as construed by a person skilled in the art. Where required to determine the scope of a recited term, the disclosure may be used. See In re Barr, 444 F.2d 588, 170 USPQ 330 (CCPA 1971).

The Examiner must provide sufficient factual basis or rationale as to how features of the invention recited in the claims are taught or suggested in the applied art. Uniroyal, Inc. v. Rudkin-Wiley Corp., 837 F.2d 1044, 5 USPQ2d 1434 (Fed. Cir. 1988). That is, objective evidence must be presented by the Examiner in support of the rejection. Without such support, the rejection is improper per se.

Claims 1, 2, 8-10 and 17 stand rejected as anticipated, under 35 USC §102(e), by newly cited Sandberg-Diment (U.S. Patent No. 5,826,245), claims 18, 19, 24, and 27-30 stand rejected as anticipated, under 35 USC §102(e), by newly cited Kravitz (U.S. Patent

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No. 6,029,150), and claims 3-7, 11-16, 20-23, 25-26, 31 and 34 stand rejected as obviousness, under 35 USC §103(a), over Sandberg-Diment in view of Kravitz. The rejections are traversed.

It is respectfully submitted that the Examiner has failed to establish a prima facie case for the rejection. More particularly, the Examiner has failed to provide objective support or reasonable rationale for the rejections, has ignored limitations recited in the claims, and has applied art in a manner inconsistent with its own teachings.

Furthermore, the Examiner has failed to provide any reasonable rationale as to how one could modify Sandberg-Diment with the teachings of Kravitz or visa versa, let alone how this could be done while continuing to meet objectives of these references. For example, one can only ask how, specifically, would one modify the Sandberg-Diment system, which requires that a portion of the consumer's payment account number be transmitted to a merchant and from the merchant to the credit card company, by Kravitz, which prohibits communications between the merchant and the bank at which the consumer maintains a payment account and teaches against the use of credit card payments.

Further still, in view of the unsupported assertions presented in support of the rejection, the rejection must be viewed as based on either pure speculation or, at best, a hindsight reconstruction of the present invention based on the subject application disclosure.

ANTICIPATION BY SANDBERG-DIMENT

**INDEPENDENT CLAIM 1 (ARGUED) AND ITS DEPENDENT CLAIMS 2 and 8, AND
INDEPENDENT CLAIM 9 (ARGUED) AND ITS DEPENDENT CLAIMS 10 and 17**

Claim 1 requires, *inter alia*, transmitting over a network, to a second network device associated with a financial institute at which the purchaser account is maintained, an authorization of the purchaser to pay the purchase price for the identified product through the transfer to the seller of the funds from the purchaser account...and transmitting over the network, from the second network device [associate with a financial institute] to the first network device [associated with a seller], an authorization of the financial institute for the seller to proceed with delivery of the identified product....

Claim 9 requires, *inter alia*, a first network device, associated with a seller, configured to receive information identifying a product intended to be purchased at a purchase price by a purchaser, the purchase price to be paid by a transfer to the seller of funds from an account of the purchaser...and a second network device, associated with a financial institute at which the purchaser account [i.e. the account from which the purchase price will be paid by a transfer to the seller of account funds] is maintained, configured to receive, via the network, an authorization of the purchaser to pay the purchase price for the identified product by the transfer of the funds...and to transmit, to the first network device [associated with a seller] via the network, an authorization for the seller to proceed with delivery of the identified product

The Examiner points to column 3, lines 9-67 of Sandberg-Diment as disclosing these limitations.

The Examiner contends only that the reference disclosure teaches “transmitting to the purchaser’s financial institution and authorization from the purchaser to pay the purchase price from the purchaser’s account to the seller’s account”.

However, the claims require much more. On its face, the Examiner has ignored the explicit requirement for an authorization of the purchaser to pay the purchase price by the transfer to the seller of funds from an account of the purchaser.

It is respectfully submitted that Sandburg-Diamant lacks any teaching, or for that matter suggestion of the transmission or receipt of such an authorization. Indeed, Sandburg-Diamant lacks any such messaging because it lacks any enablement of a payment by a transfer of funds from a purchaser’s payment account to a seller. Rather, Sandburg-Diamant is directed to credit card payments, and hence has no need for such messaging. In fact, the other art applied by the Examiner in the rejection of other claims (i.e., Kravitz) also differs in this regard from the teachings of Sandburg-Diamant. Kravitz, like the present invention, discloses a technique for making payments by the transfer to the seller of funds from the purchaser’s account.

Thus, the Examiner has failed to identify any teaching, or for that matter suggestion, in Sandburg-Diamant (and it is respectfully submitted that there is none) of an authorization of a purchaser to a financial institution to pay a purchase price through a transfer to the seller of funds from a purchaser’s account, or of a first network device

associated with the seller for receiving information identifying a product to be paid for by a transfer to the seller of funds from an account of the purchaser or a second network device associated with a purchaser's financial institution for receiving an authorization of the purchaser to pay the purchase price by such a transfer of funds.

While, as noted above, the Kravitz reference applied in the rejection of other claims also provides a technique for authorizing a seller to proceed with delivery of a product to a purchaser, in which the purchase price is paid by a transfer to the seller of funds from an account of the purchaser, it also differs from the invention of claims 1 and 9, in that Kravitz discloses a system in which communications between the bank or its agent (i.e., CTA 102) and the merchant (i.e., merchant server 110) are prohibited. Hence, Kravitz fails to disclose any transmissions over the network of a message from a network device associated with the financial institution to a network device associated with the seller.

Rather, the technique proposed by Kravitz is by its very nature, purchaser concentric (i.e., the purchaser serves as a hub with the purchaser's financial institution at the end of one spoke and the merchant at the end of another different spoke, thus requiring that the communications of information from the merchant, which is required by the purchaser's financial institution, flow through the purchaser, and likewise that information from the financial institution, which is required by the merchant, flow through the purchaser.

Accordingly, Kravitz also lacks the required transmission from the financial

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institution network device to the seller network device of an authorization of the financial institution for the seller to proceed with delivery, as required by claim 1, and a financial institution network device which is capable of transmitting an authorization for the seller to proceed with delivery to the seller network device, as required by claim 9.

ANTICIPATION BY KRAVITZ

INDEPENDENT CLAIM 18 (ARGUED) AND ITS DEPENDENT CLAIM 19,
INDEPENDENT CLAIM 24 (ARGUED) AND ITS DEPENDENT CLAIMS 28 and 29,
DEPENDENT CLAIM 27 (ARGUED), AND DEPENDENT CLAIM 30 (ARGUED)

Claim 18 requires, *inter alia*, that programming cause a computer to:

receive from the first network station [associated with a seller], via the first network communications link, first information identifying a plurality of products available for purchase from the seller, a plurality of purchase prices each associated with a respective one of the plurality of products, and a plurality of payment options including payment of the purchase price by a transfer to the seller of funds from an account of a purchaser and payment by at least one of credit card and debit card;

receive first inputs from the purchaser selecting a product from the plurality of products and a payment of the purchase price by the transfer of the funds from the plurality of payment options;

automatically generate, responsive only to the selection of the payment of the purchase price by the transfer of the funds, a signal to establish a second network

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communications link with a second network station associated with a financial institute with which the account is maintained;

receive from the second network station [associated with the financial institute], via the second network communications link, a request to approve payment of the purchase price by the transfer by the financial institute to the seller of the funds;

transmit to the second network station [associated with the financial institute], via the second network communications link, fourth information representing the purchaser approval of the payment of the purchase price for the selected product by the transfer by the financial institute to the seller of the funds [from the account of the purchaser]; and

receive, via the second network communications link [with the second network station associated with the financial institute], fifth information representing an account statement indicating that the funds have been transferred from the account [of the purchaser] by the financial institute to the seller in payment of the purchase price of the selected product.

Claim 24 requires, *inter alia*:

transmitting, from a first network device representing a seller to a second network device representing a purchaser, information identifying a product available for purchase, a purchase price of the product, and a plurality of payment options including payment by a first form of payment and payment by a second form of payment different than the first form of payment;

selecting one of the plurality of payment options at the second network device;

transmitting, from the second network device [representing the purchaser] to a third network device representing a financial institute, the information identifying the product to be purchased and the purchase price of the product, only if the payment of the purchase price by the first form of payment is selected; and

transmitting, from the third network device [representing the financial institute], an authorization of the financial institute for the seller to proceed with delivery of the identified product to the purchaser, responsive to the information [identifying the product to be purchased and the purchase price of the product to be paid by the first form of payment] transmitted from the second network device [representing the purchaser] to the third network device [representing the financial institute].

The Examiner cites column 24, lines 33-56 and column 25, lines 32-33, of Kravitz as disclosing (i) the receipt from the first network station [associated with a seller], via the first network communications link, first information identifying a plurality of payment options including a) payment of the purchase price by a transfer to the seller of funds from an account of a purchaser and b) payment by at least one of credit card and debit card, as required by claim 18, and (ii) transmitting, from a first network device representing a seller to a second network device representing a purchaser, information identifying a product available for purchase, a purchase price of the product, and a plurality of payment options including payment by a first form of payment and payment by a second form of payment different than the first form of payment, as required by

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claim 24.

It is noted that the Examiner also makes reference to be some type of "catalog" with reference to the required "plurality of payment options". However, since the claims lack any recital of a "catalog" the Examiner's statement in this regard is not understood.

With regard to the relied upon disclosure of Kravitz in columns 24 and 25, it is respectfully submitted that there is no disclosure of a plurality of payment options, let alone options as required by claim 18 or claim 24, in the referenced text. Rather, as for example indicated in column 12, lines 60-64, Kravitz discloses only one form of payment, which is payment by the transfer to the seller of funds from an account of the purchaser. Thus, the Examiner's position is inconsistent with the explicit teachings of the prior art itself.

Furthermore, because Kravitz system is only capable of making a payment by a transfer of funds from the purchaser's account at a financial institute to the seller, Kravitz necessarily lacks any disclosure of a seller transmitting information which identifies a plurality of payment options (as required by claims 18 and 24), including not only payment of the purchase price by a transfer to the seller of funds from an account of a purchaser, but also payment by at least one of a credit card and debit card (as required by claim 18):

Further still, it is respectfully submitted that the other portions of Kravitz lack any suggestion that the described system is or could be make capable of executing.

Additionally, there is nothing within the referenced text which would suggest that,

responsive only to the selection of one of the multiple payment options (i.e., the payment by the transfer of funds from the purchaser's account to the seller), a signal is automatically generated to establish a communication link to a financial institute station as required by claim 18, or that information identifying the product and purchase price is transmitted from the purchaser's network device to a financial institutes network device, only if a particular one (e.g., the first form of payment) is selected from the payment options.

Claim 27 requires, *inter alia*, that (i) the first form of payment is a transfer of funds on deposit in or credited to an account of the purchaser..., and (ii) transmitting, from the third network device [representing the financial institute], an instruction to transfer the funds from the account to the seller in payment of the identified purchase price for the identified product.

As discussed above with reference to claim 18, the only form of payment that Kravitz is capable of performing is payment by a transfer of funds on deposit in an account of the purchaser to the seller. Thus, Kravitz necessarily lacks the capability to of selecting between such a payment form and another different payment form.

Claim 30 requires, *inter alia*, transmitting from the second network device [representing the purchaser] to the first network device [representing the seller], the information identifying the product to be purchased, the purchase price of the product, and the second form of payment, if the payment of the purchase price by the second form of payment is selected.

The Examiner cites column 12, line 45, through column 13, line 36, of Kravitz as disclosing the transmission from the purchaser network device to the seller network device of information identifying the product to be purchased, the purchase price of the product, and the second form of payment, if the payment of the purchase price by the second form of payment is selected.

However, as discussed above with reference to claims 18 and 24, Kravitz discloses and enables only one form of payment. Hence, Kravitz necessarily lacks any performance of functions based on a selected form of payment.

Furthermore, the relied upon Kravitz text actually discloses (i) a transmission from the seller (not the purchaser) network device to the purchaser (not the seller) network device of the information identifying the product to be purchased, and the purchase price of the product, and (ii) a transmission from the purchaser network device to the financial institute (not the seller) network device of a payment request message 128 (which, for the sake of argument, is assumed to identify the product to be purchased, and the purchase price of the product (since only one form of payment is enabled by Kravitz there would be no need for the message 128 to identify a form of payment)).

OBVIOUSNESS OVER SANDBERG-DIMENT IN VIEW OF KRAVITZ
INDEPENDENT CLAIM 21 (ARGUED) AND ITS DEPENDENT CLAIM 22, AND
INDEPENDENT CLAIM 31 (ARGUED), DEPENDENT CLAIM 34 (ARGUED)

Claim 21 requires computer programming that causes a computer [e.g., a

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financial institute computer] to operate so as to, *inter alia* :

receive, via the network, information identifying a product, a purchase price of the product, an identity of a seller of the product, and an identity of a purchaser intending to purchase the product by payment of the purchase price through a transfer by a financial institute to the seller of funds from an account of the purchaser maintained with the financial institute, the account being unidentified to the seller;

transmit to a first network station, via the network, a request for purchaser approval of the payment of the purchase price through the transfer by the financial institute to the seller of the funds;

receive from the first network station, via the network, the purchaser approval of the payment;

transmit to a second network station, via the network, an authorization of the financial institute to proceed with a sale to the purchaser of the product after the funds are determined to be sufficient and the purchaser approval is received; and

transmit to the first network station, via the network, an account statement indicating the funds have been transferred in payment of the purchase price of the product.

The Examiner identifies no particular text within the applied art combination in support of the rejection. Instead, the Examiner points generally to arguments presented in support of the rejections of claims 2, 10, 18 and 24.

However, claims 2, 10, 18 and 24 have different recitals than those of claim 21. Furthermore, claims 2 and 10 do not even depend from independent claims 18 and 24. Hence, it is not possible to understand the basis for the rejection.

Furthermore, Sandberg-Diment is directed to credit card payments and Kavitz has the objective of avoiding credit card payments (see column 6, lines 49-58). Thus, it is respectfully submitted that the proposed combination of art is contrary to the express teachings of the applied art itself.

Finally, the rejection ignores express claim recitals. For example, claim 21 requires that a computer (i) transmit to a first network station (e.g. a purchaser station), via the network, a request for purchaser approval of the payment of the purchase price through the transfer by the financial institute to the seller of the funds and (ii) transmit to a second network station (e.g. a seller station), via the network, an authorization of the financial institute to proceed with a sale to the purchaser of the product after the funds are determined to be sufficient and the purchaser approval is received. The Examiner has failed to identify any disclosure within the applied art combination that teaches or suggests such a communication protocol.

It is respectfully submitted that neither of the applied references disclose such features. On the contrary, both Sandberg-Diment (see for example, column 2, lines 35-46) and Kravitz (see column 12, lines 55-59, and column 30, lines 25-32) propose to transmit what effectively serves as a purchaser approval of the payment of the purchase price without any request to do so. It should also be noted that this protocol is

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predicated on the credit card account number in Sandberg-Diment being transmitted to the credit card verification agent and the bank account number in Kravitz being transmitted to the CTA. However, using the claimed protocol, the transmission of an account number to the financial institution in connection with the subject transaction is not required.

The Examiner also appears to have ignored the required transmission to the first network station (e.g. a purchaser station), via the network, of an account statement indicating the funds have been transferred in payment of the purchase price of the product.

Finally, claim 21 expressly requires that there be a (i) transmission, to a first network station (e.g. a purchaser station), of a request for purchaser approval of the payment of the purchase price through the transfer by the financial institute to the seller of the funds from an account of the purchaser, and (ii) transmission, to a second network station (e.g. a seller station, but in any event a station different from that from which purchaser approval is received) of an authorization of the financial institute to proceed with a sale to the purchaser. Thus, what is required by claim 21 is that in a system capable of making payments by transfer to the seller of the funds from an account of the purchaser also be capable of transmission of an authorization of the financial institute to the seller station, or at least a station other than the purchaser's station, to proceed with a sale.

The Examiner has failed to identify any disclosure within the applied art

combination that teaches or suggests such capability, and it is respectfully submitted that the proposed combination lacks any such disclosure. As noted above, Sandberg-Diment is directed to credit card payments and hence necessarily lacks any such disclosure. Kravitz, on the other hand, while directed to payments by a transfer to the seller of the funds from an account of the purchaser, uses a hub-spoke architecture which prevents transmission of the authorization of the financial institute (represented by CTA 102) to a network station other than the purchaser station (104).

Claim 31 requires, *inter alia* :

a first network device representing a seller configured to transmit information identifying a product available for purchase, a purchase price of the product, and a plurality of payment options including payment by a first form of payment and payment by a second form of payment different than the first form of payment;

a second network device representing a purchaser configured to receive the transmitted information, to select one of the plurality of payment options, and to transmit a first message only if the first form of payment is selected as the one payment option and a second message only if the second form of payment is selected as the one payment option; and

a third network device representing a financial institute;

wherein the first message is transmitted to the third [financial institute] network device and includes information identifying the product to be purchased and the purchase price of the product;

wherein the second message is transmitted to the first [seller] network device and includes information identifying the product to be purchased, the purchase price of the product, and the selected second form of payment;

wherein the third [financial institute] network device is further configured to transmit an authorization of the financial institute for the seller to proceed with delivery of the identified product to the purchaser, responsive to the transmitted first message.

Except as discussed below, the Examiner identifies no particular disclosure within the applied art combination in support of the rejection. Instead, the Examiner points generally to arguments presented in support of the rejection of claim 24. However, claim 31 has different recitals than those of claim 24, many of which are not addressed in the rejection of claim 24. Hence, it is not possible to understand the basis for the rejection.

Additionally, as has been discussed above, a number of the recited limitations are neither taught nor suggested by the applied art references. For example, nowhere does the applied art suggest that a purchaser network station be given the capability to select one of a plurality of payment options, and to transmit a first message to a financial institute network device only if the first form of payment is selected as the one payment option and a second message to a seller network device only if the second form of payment is selected as the one payment option.

Furthermore, while the Examiner points to column 3, lines 9-67, of Sandberg-Diment as disclosing that a network device associated with the financial institution

transmits an authorization of the financial institute for the seller to proceed with delivery of the identified product to the purchaser, responsive to a transmitted first message [i.e. a message transmitted by a purchaser network device only if the first form of payment is selected], the referenced text of Sandberg-Diment discloses no such thing. Sandberg-Diment is directed solely to credit card payments, and thus necessarily lacks any messaging based on a selected form of payment. The referenced text itself contradicts the Examiner's contention.

Claim 34 requires that the first form of payment in Claim 31 be by a transfer of funds on deposit in or credited to an account of the purchaser.

The Examiner generally cites the combination as applied to claim 31 in support of the rejection and goes on to specifically rely on Kravitz's disclosure in column 1, lines 24-26, column 6, lines 19-21, and column 7, lines 12-18 as disclosing payment options including credit and debit cards.

However, as noted immediately above, claim 34 does not recite limitations relating to payment options, or credit and debit cards. Rather the claim 34 recitals relate to a form of payment other than by credit or debit card, i.e., claim 34 requires a payment by a transfer of funds on deposit in or credited to an account of the purchaser. Accordingly, the basis of the rejection is not understood.

Furthermore, the referenced text in column 1 of Kravitz describes only that there are various different conventional forms of payment, and in column 6 of Kravitz discloses only that the purchaser's account number remains unknown to the seller, and

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in column 7 of Kravitz discloses only that a secret encryption key is shared by the purchaser and CTA (bank's agent). Hence, the relevance of the reference text is not understood.

It is further respectfully submitted that the Examiner has failed to provide any reasonable basis for the conclusion that the proposed combination of art, even if proper (which it is respectfully submitted is not the case) could possibly suggest the features of claim 34. Including the features recited in its parent claim 31 as discussed above.

DEPENDENT CLAIM 3 (ARGUED) AND ITS DEPENDENT CLAIM 4, DEPENDENT CLAIM 5 (ARGUED), DEPENDENT CLAIM 6 (ARGUED), DEPENDENT CLAIM 7 (ARGUED), DEPENDENT CLAIM 11 (ARGUED) AND ITS DEPENDENT CLAIMS 12 AND 13, DEPENDENT CLAIM 14 (ARGUED), DEPENDENT CLAIM 15 (ARGUED), DEPENDENT CLAIM 16 (ARGUED), DEPENDENT CLAIM 20 (ARGUED), DEPENDENT CLAIM 23 (ARGUED) AND DEPENDENT CLAIM 25 (ARGUED), AND DEPENDENT CLAIM 26

Claim 3 requires, *inter alia*:

(i) the information [received at the first, i.e. the seller, network device which identifies that the purchase price is to be paid by a transfer to the seller of funds on deposit in or credited to an account of the purchaser] is first information;

(ii) transmitting over the network, from the first [seller] network device to the third [purchaser] network device, second information identifying ... a plurality of payment options including payment by the transfer to the seller of the funds and payment by at least one of credit card and debit card;

(iii) selecting, at the third [purchaser] network device,...the payment of the purchase price by the transfer of the funds from the plurality of payment options; and

(iv) transmitting over the network, from and the third [purchaser] network device to the second [financial institute] network device, third information identifying the product to be purchased, the purchase price of the product, and the purchaser.

Claim 11 requires, *inter alia*:

(i) the information [transmitted from the third, i.e. purchaser network device, to the first, i.e. seller, network device] is first information and identifies ... an intention of the purchaser to pay the purchase price by the transfer of the funds;

(ii) the first [seller] network device is further configured to transmit, to the third [purchaser] network device via the network, second information identifying ... a plurality of payment options including payment by the transfer of the funds and payment by at least one of credit card and debit card;

(iii) the third [purchaser] network device is further configured to receive ...second input from the purchaser representing a selection of the payment of the purchase price by the transfer of the funds from the plurality of payment options, and to transmit, to the second [financial institute] network device via the network, third information identifying ... the purchase price of the product...

As understood, the Examiner acknowledges that Sandberg-Diment lacks any suggestion of the required plurality of payment options but contends that Kravitz disclosure such and options.

However, as discussed above, Kravitz lacks any such disclosure, either in the referenced text in columns 24 and 25 of Kravitz or elsewhere. Rather, as for example disclosed in column 12, lines 60-64, Kravitz explicitly teaches only one type of payment vehicle, which is the transfer to the seller of funds from an account of the purchaser. Thus, the Examiner's position is inconsistent with the explicit teachings of the prior art itself.

The Examiner's reference to a selection of payment options from a catalog is simply not understood.

It is acknowledged that conventional catalog purchasers are offered payment options, including payment by check, credit card and debit card. However, irrespective of which payment option is selected by the purchaser from a catalog, the selection (and indeed the payment and/or payment account number, i.e. the purchaser's check including the purchaser's bank account number, the purchaser's credit card account number or the purchaser's debit card number), is always sent to the seller (not to the purchaser's financial institute by the purchaser). Thus, notwithstanding which option is selected by the purchaser, (i) the purchaser is never directed to or placed in communication with its financial institute, (ii) the purchaser never transmits or otherwise sends its approval of the payment to its financial institute, and (iii) the purchaser's account number must always be identified to the seller (which is precisely what each of the prior art references seeks to avoid).

Thus, not only do convention teachings relating to the payment for purchases

made from a catalog fail to disclosure or otherwise suggest the limitations of claims 3 and 11, these conventional teachings are contrary to the objectives of the applied Sandberg-Diment and Kravitz references, which seek to avoid disclosure of the purchaser's account number to the seller.

Claim 5 requires that the third information [the information transmitted from the third, i.e. purchaser, network device to the second, i.e. financial institute, network device, identifying the product to be purchased, the purchase price of the product, and the purchaser] is only transmitted responsive to the selecting the payment of the purchase price by the transfer of the funds.

Claim 14 requires that the third [purchaser] network device is further configured to transmit, to the second [financial institute] network device via the network, the third information [identifying the product intended to be purchased, the purchase price of the product, and the intended purchaser] responsive only to receiving the second input [the input from the purchaser representing a selection of the payment of the purchase price by the transfer of the funds from the plurality of payment options].

Thus in summary, according to claims 5 and 14, the purchaser only transmits information identifying the product to be purchased, the purchase price of the product, and the purchaser to the financial institute, if the purchaser selects the option to pay the purchase price by the transfer of the funds from the purchaser's account at a financial institute to the seller.

The Examiner, as understood, acknowledges that Sandberg-Diment lacks any

suggestion of the required limitations but argues that these limitations are obvious because Sandberg-Diment could be modified per Kravitz to “wait until the purchaser in Sandberg-Diment had indicated his desire to purchase the product (by selecting the payment button) before transmitting the purchase order to the financial institution for authorization. One would have been motivated to wait for this indication in order to preclude the financial institution from processing transactions before the purchaser had made his final decision.”

The Examiner’s argument is not understood. Claims 5 and 14 require more than just the selection of a payment button. The Examiner completely ignores the requirement that the selection be a selection of a particular payment option. This is perhaps because neither of the applied prior art references disclose any type of payment options, but rather are each directed to only a single form of payment and indeed lack any suggestion (and in the case of Kravitz teach against) payment options as required by claims 5 and 14.

Claim 6 requires automatically establishing a hyperlink to the second, i.e. financial institute, network device for transmission of the third information [the information transmitted from the third, i.e. purchaser, network device to the second, i.e. financial institute, network device, identifying the product to be purchased, the purchase price of the product, and the purchaser] after the selecting of payment of the purchase price by the transfer of the funds.

Claim 15 requires that the third [purchaser] network device is further configured

to automatically establish a hyperlink to the second [financial institute] network device via the network for transmission of the third information [identifying the product intended to be purchased, the purchase price of the product, and the intended purchaser] responsive to receipt of the second input [the input from the purchaser representing a selection of the payment of the purchase price by the transfer of the funds from the plurality of payment options].

The Examiner points to column 12, lines 45-59, of Kravitz as disclosing the required automatic establishment of a hyperlink.

However, it is first noted that what Kravitz discloses in the referenced text is automatic transmission of a message, not the automatic establishment of a communications link. In any event, what Kravitz also lacks, and what has been ignored by the Examiner, is that the required hyperlink is established after (in claim 6) or responsive to (in claim 15) a selection by the purchaser of payment of the purchase price by the transfer of the funds from amongst the various offered option. Since neither Kravitz nor Sandberg-Diment suggest that a payment form be selected from amongst multiple different types of available payment forms, the references necessarily lack any teaching or suggestion of the required hyperlinking.

Thus, it is respectfully submitted that there is nothing within the referenced text or other disclosure in Kravitz which would suggest that after or responsive to the selection of one of multiple payment options (i.e., the payment by the transfer of funds from the purchaser's account to the seller) a communication link to a financial institute station is

automatically established.

Claim 7 requires the transmitting over the network, from the first [seller] network device to the second [financial institute] network device, a notice of delivery of the identified product to the purchaser, and directing the transfer of the funds to the seller responsive to receipt of the notice of delivery at the second [financial institute] network device.

Claim 16 requires that the first [seller] network device is further configured to transmit, to the second [financial institute] network device via the network, a notice of delivery of the identified product, and the second [financial institute] network device is further configured to transmit, via the network, a directive to transfer the funds responsive to receipt of the notice of delivery.

The Examiner points to column 35, lines 25-67, of Kravitz as disclosing the required transmission of a notice of delivery of the identified product to the purchaser from the seller network device to the financial institute network device, and of the directing of the transfer of the funds to the seller responsive to receipt of the notice of delivery at the financial institute network device.

However, it is first noted that what Kravitz, at best, discloses in the referenced text is simply the transmission of a notice of delivery (i.e. Kravitz's shipping advice, SA). Furthermore, as is clear from Kravitz's disclosure (see for example Figures 1 and 2), the SA is necessarily transmitted to the purchaser station not the financial institute station, because Kravitz seller station is incapable of transmitting to the financial

institute station. Furthermore, the referenced text, as well as the remaining disclosure within the applied prior art, lacks any suggestion that the transfer of the funds is directed to the seller responsive to a financial institute's receipt of the notice of delivery.

Claim 20 requires that the first network communications link [with a seller network station] is a relatively unsecure communication link and the second network communications link [with a financial institute network station] is a relatively secure communications link.

Claim 23 requires communications transmitted to and received from the first [purchaser] network station via the network are relatively secure communications and communications transmitted to and received from the second [seller] network station via the network are relatively unsecure communications.

While the Examiner acknowledges that the applied prior art lacks the required limitations, the Examiner contends that these limitations are obvious because it is well known to use secure and insecure communications links on the Internet.

While it is acknowledged both secure and insecure communications links were known, what the Examiner ignores is the novel use of such links to provide a vehicle for payments over the Internet or other wide area network. Furthermore, as understood, Karivitz teaches the use of similarly secured links for all discussed communications between the seller and purchaser, and between the purchaser and financial institution. Thus, at least Karivitz appears to teach against the recited limitations.

Claim 25 requires that the authorization of the financial institute be transmitted

from the third [financial institute] network device to the first [seller] network device.

As can be best understood, the Examiner acknowledges that Kravitz lacks such a feature but such an authorization is disclosed in column 3 of Sandberg-Diment, and proposes to modify Kravitz to direct authorization from the CTA directly to the seller.

However, the proposed modification is contrary to Kravitz's own teachings, which explicitly and necessarily require that the financial institute direct authorization to the purchaser and not to the seller. Indeed, the Examiner does not even attempt to explain how one could go about modifying the complex processing of the financial institute's authorization, which Kravitz requires at the purchaser station, to accommodate the proposed modification of Kravitz. It is respectfully submitted that such a modification, if it could be done without violating a principle of operation of Kravitz (which is not acknowledged), would require substantial experimentation.

Accordingly, it is respectfully submitted that the Examiner has failed to establish a *prima facie* basis for the rejection.

2. THE APPLIED REFERENCE FAILS TO TEACH THE CLAIMED INVENTION

Anticipation, under 35 U.S.C. §102, requires that each element of the claim in issue be found, either expressly described or under principles of inherency, in a single prior art reference. Although anticipation requires only that the claim under attack "read on" something disclosed in the reference, all limitations of the claim must be found in the reference, or "fully met" by it. See Kalman v. Kimberly-Clark Corp., 713 F.2d 760, 218

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USPQ 781 (Fed. Cir. 1983).

Inherency requires certainty, not speculation. In re Rijckaert, 9 F.3d 1531, 28 USPQ2d 1955 (Fed. Cir. 1993); In re King, 801 F.2d 1324, 231 USPQ 136 (Fed. Cir. 1986); W. L. Gore & Associates, Inc. v. Garlock, Inc., 721 F.2d 1540, 220 USPQ 303 (Fed. Cir. 1983); In re Oelrich, 666 F.2d 578, 212 USPQ 323 (CCPA 1981); In re Wilding, 535 F.2d 631, 190 USPQ 59 (CCPA 1976). Objective evidence must be relied upon to defeat the patentability of the claimed invention. Ex parte Natale, 11 USPQ2d 1222 (BPAI 1988).

As discussed above, the applied prior art which the Examiner applies as anticipating claims recited in the present application, fail to teach various express features and limitations of each of the independent claims, and many of the dependent claims, which the references are applied against.

Indeed, one or more features of each of the independent claims which the Examiner contends to be anticipated by either Sandburg-Diment or Kravitz, recites one or more features which cannot be found within the applied prior art, either explicitly or implicitly.

3. THERE IS NO MOTIVATION TO COMBINE THE ART AS PROPOSED BY THE EXAMINER

It is incumbent upon the Examiner to provide a basis in fact and/or cogent technical reasoning to support the conclusion that one having ordinary skill in the art would have

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been motivated to combine references to arrive at a claimed invention. Uniroyal, Inc. v. Rudkin-Wiley Corp., 837 F.2d 1044, 5 USPQ2d 1434 (Fed. Cir. 1988). In so doing, the Examiner is required to make the factual determinations set forth in Graham v. John Deere Co. of Kansas City, 383 U.S. 1, 148 USPQ 459 (1966), **and** to provide a reason why one having ordinary skill in the art would have been led to modify the prior art reference to arrive at the claimed invention. Ashland Oil, Inc. v. Delta Resins & Refractories, Inc., 776 F.2d 281, 227 USPQ 657 (Fed. Cir. 1985). Such a reason must stem from some teaching, suggestion or inference in the prior art as a whole or knowledge generally available to one having ordinary skill in the art. Uniroyal, Inc. v. Rudkin-Wiley, 837 F.2d 1044, 5 USPQ2d 1434 (Fed. Cir. 1988); Ashland Oil, Inc. v. Delta Resins & Refractories, Inc., 776 F.d 281, 227 USPQ 657 (Fed. Cir. 1985); ACS Hospital Systems, Inc. v. Montefiore Hospital, 732 F.2d 1572, 221 USPQ 929 (Fed. Cir. 1984); In re Sernaker, 702 F.2d 989, 217 USPQ 1 (Fed. Cir. 1983).

As discussed above, Sandburg-Diment is directed to processing credit card payments, whereas Kravitz has the objective of avoiding credit card payments. Accordingly, the proposed combination of these references is unmotivated. Furthermore, as has been discussed above, the modifications proposed by the Examiner violate principals of operation of the applied art. Additionally, the Examiner has failed to even attempt to explain how one might go about modifying the complex processing proposed by Sandburg-Diment and Kravitz to enable the proposed modifications.

4. THE APPLIED REFERENCES FAIL TO SUGGEST THE CLAIMED INVENTION

In rejecting claims under 35 U.S.C. 103, it is incumbent upon the Examiner to establish a factual basis to support the legal conclusion of obviousness. Stratoflex, Inc. v. Aeroquip Corp., 713 F.2d 1530, 218 USPQ 871 (Fed. Cir. 1983); In re Warner, 379 F.2d 1011, 154 USPQ 173 (CCPA 1967). It also is incumbent upon the Examiner to provide a basis in fact and/or cogent technical reasoning to support the conclusion that one having ordinary skill in the art would have been motivated to combine references to arrive at a claimed invention. Uniroyal, Inc. v. Rudkin-Wiley Corp., 837 F.2d 1044, 5 USPQ2d 1434 (Fed. Cir. 1988). In so doing, the Examiner is required to make the factual determinations set forth in Graham v. John Deere Co. of Kansas City, 383 U.S. 1, 148 USPQ 459 (1966), **and** to provide a reason why one having ordinary skill in the art would have been led to modify the prior art reference to arrive at the claimed invention. Ashland Oil, Inc. v. Delta Resins & Refractories, Inc., 776 F.2d 281, 227 USPQ 657 (Fed. Cir. 1985). Such a reason must stem from some teaching, suggestion or inference in the prior art as a whole or knowledge generally available to one having ordinary skill in the art. Uniroyal, Inc. v. Rudkin-Wiley, 837 F.2d 1044, 5 USPQ2d 1434 (Fed. Cir. 1988); Ashland Oil, Inc. v. Delta Resins & Refractories, Inc., 776 F.2d 281, 227 USPQ 657 (Fed. Cir. 1985); ACS Hospital Systems, Inc. v. Montefiore Hospital, 732 F.2d 1572, 221 USPQ 929 (Fed. Cir. 1984); In re Sernaker, 702 F.2d 989, 217 USPQ 1 (Fed. Cir. 1983). Inherency requires certainty, not speculation. In re Rijckaert, 9 F.3d 1531, 28 USPQ2d 1955 (Fed. Cir. 1993); In re King, 801 F.2d 1324, 231 USPQ 136 (Fed. Cir. 1986); W. L. Gore & Associates, Inc. v. Garlock,

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Inc., 721 F.2d 1540, 220 USPQ 303 (Fed. Cir. 1983); In re Oelrich, 666 F.2d 578, 212 USPQ 323 (CCPA 1981); In re Wilding, 535 F.2d 631, 190 USPQ 59 (CCPA 1976).

Objective evidence must be relied upon to defeat the patentability of the claimed invention.

Ex parte Natale, 11 USPQ2d 1222 (BPAI 1988).

In determining obviousness, the inquiry is not whether each element existed in the prior art, but whether the prior art made obvious the invention as a whole for which patentability is claimed. Hartness Int'l, Inc. v. Simplimatic Eng'g Co., 819 F.2d 1100, 2 USPQ2d 1826 (Fed. Cir. 1987). It is impermissible to pick and choose from any one reference only so much of it as will support a given position, to the exclusion of other parts necessary to the full appreciation of what such reference fairly suggests to one of ordinary skill in the art. In re Wesslau, 353 F.2d 238, 147 USPQ 391 (CCPA 1951). Piecemeal reconstruction of prior art patents is improper, In re Kamm, 452 F.2d 1052, 172 USPQ 298 (CCPA 1972). The Examiner must give adequate consideration to the particular problems and solution addressed by the claimed invention. Northern Telecom, Inc. v. Datapoint Corp., 908 F.2d 931, 15 USPQ2d 1321 (Fed. Cir. 1990); In re Rothermel, 276 F.2d 393, 125 USPQ 328 (CCPA 1960).

The fact that the prior art could be modified so as to result in the combination defined by the claims does not make the modification obvious unless the prior art suggests the desirability of the modification. In re Deminski, 796 F.2d 436, 230 USPQ 313 (Fed. Cir. 1986). The test is what the combined teachings would have suggested to those of ordinary skill in the art. In re Keller, 642 F.2d 413, 208 USPQ 817 (CCPA 1981).

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Simplicity and hindsight are not proper criteria for resolving obviousness, In re Warner, supra. The proper approach to the issue of obviousness is whether the hypothetical person of ordinary skill in the art, familiar with the references, would have found it obvious to make a structure corresponding to what is claimed. In re Keller, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); In re Sernaker, 702 F.2d 989, 217 USPQ 1 (Fed. Cir. 1983). Hindsight obviousness after the invention has been made is not the test. In re Carroll, 601 F2d 1184, 202 USPQ 571 (CCPA 1979). The reference, viewed by itself and not in retrospect, must suggest doing what applicant has done. In re Shaffer, 229 F2d 476, 108 USPQ 326 (CCPA 1956); In re Skoll, 523 F2d 1392, 187 USPQ 481 (CCPA 1975).

Again, the issue is not whether it is within the skill of the artisan to make the proposed modification but, rather, whether a person of ordinary skill in the art, upon consideration of the references, would have found it obvious to do so. The fact that the prior art could be modified so as to result in the combination defined by the claims would not have made the modification obvious unless the prior art suggests the desirability of the modification. See In re Gordon, 733 F.2d 900, 221 USPQ 1125 (Fed. Cir. 1984), In re Deminski, 796 F.2d 436, 230 USPQ 313 (Fed. Cir. 1986), In re Keller, supra. See In re Laskowski, F2d., 10 USPQ2d 1397 (CAFC 1989).

As has been previously discussed, it is respectfully submitted that even if the proposed combination of art were proper (which it is respectfully submitted, is not the case), it fails to support the combination of features cited in each of the independent claims, as well as in many of the dependent claims.

The Examiner's reliance on multiple payment options offered to those who purchase from conventional catalogs, is misplaced. Following the conventional model established for catalog purchases, whether or not the payment was to be made from a checking account, credit card account, or debit card account, (i.e., no matter what the form of payment), the selection and payment are always communicated to the seller.

Kravitz and Sandburg-Diment lack any disclosure whatsoever relating to multiple payment options. Indeed, Kravitz is directed to avoiding the use of credit card payments, and hence would teach against offering both payments by transfer of funds to the seller from the purchaser's account, and payments by credit cards. Sandburg-Diment on the other hand, is directed solely to credit card payments. To the extent that Sandburg-Diment could be modified to accommodate payments by the transfer of funds from the purchaser's account at a financial institution to the seller, one can only ask why one would go about trying to do this by modifying the disclosed Sandburg-Diment technique of splitting the account number, so as to incorporate the complex messaging protocol and processing required by Kravitz.

5. THE REJECTION IS BASED ON EITHER AN IMPROPER HINDSIGHT
RECONSTRUCTION OF THE INVENTION BASED ON THE APPLICATIONS OWN
TEACHINGS OR ON PURE SPECULATION

Hindsight obviousness after the invention has been made is not the test. In re Carroll, 601 F2d 1184, 202 USPQ 571 (CCPA 1979). The reference, viewed by itself and

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not in retrospect, must suggest doing what applicant has done. In re Shaffer, 229 F2d 476, 108 USPQ 326 (CCPA 1956); In re Skoll, 523 F2d 1392, 187 USPQ 481 (CCPA 1975).

Inherency requires certainty, not speculation. In re Rijckaert, 9 F.3rd 1531, 28 USPQ2d 1955 (Fed. Cir. 1993); In re King, 801 F.2d 1324, 231 USPQ 136 (Fed. Cir. 1986); W. L. Gore & Associates, Inc. v. Garlock, Inc., 721 F.2d 1540, 220 USPQ 303 (Fed. Cir. 1983); In re Oelrich, 666 F.2d 578, 212 USPQ 323 (CCPA 1981); In re Wilding, 535 F.2d 631, 190 USPQ 59 (CCPA 1976). Objective evidence must be relied upon to defeat the patentability of the claimed invention. Ex parte Natale, 11 USPQ2d 1222 (BPAI 1988).

As discussed in detail above, the appealed claims have been rejected without objective factual support or rational. The prior art cited in support of the rejections has been applied in a manner inconsistent with its own teachings. A combination has been asserted for which no motivation exist. Express limitations set forth in the claims have been completely or effectively ignored. The evidence shows that there is nothing in the applied prior art to support the Examiner's position that the present claims are anticipated or obvious. Hence, at best, it can only be concluded that the rejection of the claims reflects either an improper hindsight reconstruction of the invention based on the teachings of the subject application itself.

CONCLUSION

It is respectfully submitted that the Examiner (i) has failed to establish a prima facie case for the rejection, (ii) has proposed to combine art in a manner which is unmotivated, (iii) has failed to apply art which teaches or suggests the claimed invention, and (iv) has, at best, attempted to improperly reconstruct the invention using the inventors own disclosure or relied on pure speculation in rejecting the claims. Thus, the rejection of the pending claims either as anticipated under 35 U.S.C. §102(e) or as obvious under 35 U.S.C. §103(a) over the applied prior art, whether taken individually or in any combination, is improper.

In summary, Applicants respectfully submit that the applied references do not teach or suggest features recited in each of the rejected independent claims, as well as those recited in numerous dependent claims. Furthermore, the proposed combination of applied references is itself unmotivated and therefore improper. Accordingly, it is submitted that the art does not provide any teaching, or suggestion within its teachings, which would lead to the features or advantages of the instant invention, and the claims patentably define over the art. Thus, the rejection of the pending claims is in error, and reversal is clearly in order and is courteously solicited.

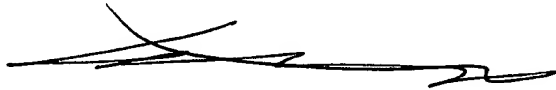
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To the extent necessary, a petition for an extension of time under 37 C.F.R. 1.136 is hereby made. Please charge any shortage in fees due in connection with the filing of this paper, including extension of time fees, to Deposit Account 01-2135 and please credit any excess fees to such deposit account.

Respectfully Submitted,

ANTONELLI, TERRY, STOUT & KRAUS, LLP

A handwritten signature in black ink, appearing to read 'Alfred A. Stadnicki', with a long horizontal flourish extending to the right.

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APPENDIX OF CLAIMS UNDER APPEAL

1. A method for conducting cashless transactions, comprising the steps of:

receiving, at a first network device associated with a seller, information

identifying a product intended to be purchased at a purchase price by a purchaser, the

purchase price to be paid by a transfer to the seller of funds on deposit in or credited to

an account of the purchaser, the identity of the purchaser account being unknown to the

seller;

transmitting over a network, to a second network device associated with a

financial institute at which the purchaser account is maintained, an authorization of the

purchaser to pay the purchase price for the identified product through the transfer to the

seller of the funds from the purchaser account;

determining if the funds in the purchaser account are sufficient with respect to

the purchase price; and

transmitting over the network, from the second network device to the first

network device, an authorization of the financial institute for the seller to proceed with

delivery of the identified product, the authorization being transmitted only if the funds

are determined to be sufficient.

2. A method according to claim 1, further comprising the step of:

transmitting over the network, from a third network device associated with the purchaser to the first network site, the information identifying the product intended to be purchased.

3. A method according to claim 2, wherein the information is first information and the transmitted first information further identifies the purchaser and that the payment of the purchase price will be by the transfer of the funds from the purchaser account unknown to the seller, and further comprising the steps of:

transmitting over the network, from the first network device to the third network device, second information identifying a plurality of products available for purchase, a plurality of purchase prices each associated with a respective one of the plurality of products, and a plurality of payment options including payment by the transfer to the seller of the funds and payment by at least one of credit card and debit card;

selecting, at the third network device, (i) the product to be purchased from the plurality of products and (ii) the payment of the purchase price by the transfer of the funds from the plurality of payment options; and

transmitting over the network, from and the third network device to the second network device, third information identifying the product to be purchased, the purchase price of the product, and the purchaser.

4. A method according to claim 3, wherein:

the authorization of the purchaser is transmitted from the third network device to the second network device.

5. A method according to claim 3, wherein:

the third information is only transmitted responsive to the selecting the payment of the purchase price by the transfer of the funds.

6. A method according to claim 3, further comprising the step of:

automatically establishing a hyperlink to the second network device for transmission of the third information after the selecting of payment of the purchase price by the transfer of the funds.

7. A method according to claim 3, further comprising the steps of:

transmitting over the network, from the first network device to the second network device, a notice of delivery of the identified product to the purchaser; and directing the transfer of the funds to the seller responsive to receipt of the notice of delivery at the second network device.

8. A method according to claim 1, wherein the method is performed in real time and the network is the Internet.

9. A system for conducting cashless transactions, comprising:

a communications network;

a first network device, associated with a seller, configured to receive information identifying a product intended to be purchased at a purchase price by a purchaser, the purchase price to be paid by a transfer to the seller of funds from an account of the purchaser, the identity of the purchaser account being unknown to the seller;

a second network device, associated with a financial institute at which the purchaser account is maintained, configured to receive, via the network, an authorization of the purchaser to pay the purchase price for the identified product by the transfer of the funds, to determine if the funds are sufficient with respect to the purchase price, and to transmit, to the first network device via the network, an authorization for the seller to proceed with delivery of the identified product if the funds are determined to be sufficient.

10. A system according to claim 9, further comprising:

a third network device, associated with the purchaser, configured to transmit, to the first network device via the network, the information identifying the product intended to be purchased.

11. A system according to claim 10, wherein:

the information is first information and the first information further identifies the purchaser and an intention of the purchaser to pay the purchase price by the transfer of the funds;

the first network device is further configured to transmit, to the third network device via the network, second information identifying a plurality of products available for purchase, a plurality of purchase prices each associated with a respective one of the plurality of products, and a plurality of payment options including payment by the transfer of the funds and payment by at least one of credit card and debit card;

the third network device is further configured to receive first input from the purchaser representing a selection of the product intended to be purchased from the plurality of products, to receive second input from the purchaser representing a selection of the payment of the purchase price by the transfer of the funds from the plurality of payment options, and to transmit, to the second network device via the network, third information identifying the product intended to be purchased, the purchase price of the product, and the intended purchaser.

12. A system according to claim 11, wherein:

the third network device is further configured to transmit, to the second network device via the network, the authorization of the purchaser.

13. A system according to claim 11, wherein the third network device includes an input device for receiving the first input and the second input.

14. A system according to claim 11, wherein:
the third network device is further configured to transmit, to the second network device via the network, the third information responsive only to receiving the second input.

15. A system according to claim 11, wherein:
the third network device is further configured to automatically establish a hyperlink to the second network device via the network for transmission of the third information responsive to receipt of the second input.

16. A system according to claim 11, wherein:
the first network device is further configured to transmit, to the second network device via the network, a notice of delivery of the identified product; and
the second network device is further configured to transmit, via the network, a directive to transfer the funds responsive to receipt of the notice of delivery.

17. A system according to claim 9, wherein the network is the Internet and the system operates in real time.

18. An article of manufacture for conducting cashless transactions over a network having a plurality of network stations, comprising:

a computer readable storage medium; and

computer programming stored on the storage medium, wherein the stored computer programming is configured to be readable from the computer readable storage medium by a computer and thereby cause the computer to operate so as to:

generate a signal to establish a first network communications link, with a first network station associated with a seller;

receive from the first network station, via the first network communications link, first information identifying a plurality of products available for purchase from the seller, a plurality of purchase prices each associated with a respective one of the plurality of products, and a plurality of payment options including payment of the purchase price by a transfer to the seller of funds from an account of a purchaser and payment by at least one of credit card and debit card;

display the first information;

receive first inputs from the purchaser selecting a product from the plurality of products and a payment of the purchase price by the transfer of the funds from the plurality of payment options;

automatically generate, responsive only to the selection of the payment of the purchase price by the transfer of the funds, a signal to establish a second network

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communications link with a second network station associated with a financial institute with which the account is maintained;

transmit to the first network station, via the first network communications link, second information identifying the selected product, and the identity of the purchaser, without identifying the account;

transmit to the second network station, via the second network communications link, third information identifying the selected product, the purchase price of the selected product, and the identity of the purchaser;

receive from the second network station, via the second network communications link, a request to approve payment of the purchase price by the transfer by the financial institute to the seller of the funds;

receive second inputs from the purchaser approving payment of the purchase price for the selected product by the transfer by the financial institute to the seller of the funds;

transmit to the second network station, via the second network communications link, fourth information representing the purchaser approval of the payment of the purchase price for the selected product by the transfer by the financial institute to the seller of the funds; and

receive, via the second network communications link, fifth information representing an account statement indicating that the funds have been transferred from

the account by the financial institute to the seller in payment of the purchase price of the selected product; and

display the fifth information.

19. An article of manufacture according to claim 18, wherein each of the network communication links is an Internet communication link and the second network communications link is established by a hyperlink.

20. An article of manufacture according to claim 18, wherein the first network communications link is a relatively unsecure communication link and the second network communications link is a relatively secure communications link.

21. An article of manufacture for conducting cashless transactions over a network having a plurality of network stations, comprising:

a computer readable storage medium; and

computer programming stored on the storage medium; wherein the stored computer programming is configured to be readable from the computer readable storage medium by a computer and thereby cause the computer to operate so as to:

receive, via the network, information identifying a product, a purchase price of the product, an identity of a seller of the product, and an identity of a purchaser intending to purchase the product by payment of the purchase price through a transfer

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by a financial institute to the seller of funds from an account of the purchaser maintained with the financial institute, the account being unidentified to the seller;

transmit to a first network station, via the network, a request for purchaser approval of the payment of the purchase price through the transfer by the financial institute to the seller of the funds;

receive from the first network station, via the network, the purchaser approval of the payment;

determine if the funds are sufficient with respect to the purchase price; and

transmit to a second network station, via the network, an authorization of the financial institute to proceed with a sale to the purchaser of the product after the funds are determined to be sufficient and the purchaser approval is received;

transmit a direction to transfer the funds in payment of the purchase price of the product; and

transmit to the first network station, via the network, an account statement indicating the funds have been transferred in payment of the purchase price of the product.

22. An article of manufacture according to claim 21, wherein the network is the Internet.

23. An article of manufacture according to claim 21, wherein communications transmitted to and received from the first network station via the network are relatively secure communications and communications transmitted to and received from the second network station via the network are relatively unsecure communications.

24. A method for conducting cashless transactions, comprising:
transmitting, from a first network device representing a seller to a second network device representing a purchaser, information identifying a product available for purchase, a purchase price of the product, and a plurality of payment options including payment by a first form of payment and payment by a second form of payment different than the first form of payment;

selecting one of the plurality of payment options at the second network device;

transmitting, from the second network device to a third network device representing a financial institute, the information identifying the product to be purchased and the purchase price of the product, only if the payment of the purchase price by the first form of payment is selected; and

transmitting, from the third network device, an authorization of the financial institute for the seller to proceed with delivery of the identified product to the purchaser, responsive to the information transmitted from the second network device to the third network device.

25. A method according to claim 24, wherein the authorization of the financial institute is transmitted from the third network device to the first network device.

26. A method according to claim 25, further comprising:
transmitting, from the third network device to the first network, the information identifying the product to be purchased and the purchase price of the product in conjunction with the transmission of the authorization of the financial institute.

27. A method according to claim 24, wherein the first form of payment is a transfer of funds on deposit in or credited to an account of the purchaser, the identity of the account being unknown to the seller, and further comprising:
transmitting, from the third network device, an instruction to transfer the funds from the account to the seller in payment of the identified purchase price for the identified product.

28. A method according to claim 27, wherein the account is maintained by the financial institute.

29. A method according to claim 24, wherein the second form of payment is one of payment by credit card and payment by debit card.

30. A method according to claim 24, further comprising:

transmitting from the second network device to the first network device, the information identifying the product to be purchased, the purchase price of the product, and the second form of payment, if the payment of the purchase price by the second form of payment is selected.

31. A system for conducting cashless transactions over network, comprising:

a first network device representing a seller configured to transmit information identifying a product available for purchase, a purchase price of the product, and a plurality of payment options including payment by a first form of payment and payment by a second form of payment different than the first form of payment;

a second network device representing a purchaser configured to receive the transmitted information, to select one of the plurality of payment options, and to transmit a first message only if the first form of payment is selected as the one payment option and a second message only if the second form of payment is selected as the one payment option; and

a third network device representing a financial institute;

wherein the first message is transmitted to the third network device and includes information identifying the product to be purchased and the purchase price of the product;

wherein the second message is transmitted to the first network device and includes information identifying the product to be purchased, the purchase price of the product, and the selected second form of payment;

wherein the third network device is further configured to transmit an authorization of the financial institute for the seller to proceed with delivery of the identified product to the purchaser, responsive to the transmitted first message.

34. A system according to claim 31, wherein:

the first form of payment is a transfer of funds on deposit in or credited to an account of the purchaser;

the identity of the account is unknown to the seller; and


the third network device is further configured to transmit an instruction to transfer the funds from the account to the seller in payment of the identified purchase price for the identified product.

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APPENDIX OF AFFIDAVITS AND DECLARATIONS

NONE



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APPENDIX OF DECISIONS IN RELATED PROCEEDINGS

NONE

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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES**

re Application of

GANESAN et al.

Serial No.: 09/208,998

Filed: December 11, 1998

Group Art Unit: 3622:

Examiner: J. YOUNG

For: TECHNIQUE FOR CONDUCTING SECURE TRANSACTIONS OVER A
NETWORK

REQUEST FOR REINSTATEMENT OF APPEAL

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

January 18, 2005

Sir:

This Request for Reinstatement of the Appeal filed June 25, 2002 is filed in response to the Official Action dated September 17, 2004, the time for response is extended one (1) month, up to and including January 18, 2005.

To the extent necessary, Applicants petition for an extension of time under 37 CFR § 1.136. Please charge any shortage in fees due in connection with the

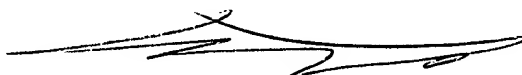
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filing of this paper, including extension of time fees, to the Deposit Account No.
01-2135 (Case No. 1158.41322X00) and please credit any excess fees to such
Deposit Account.

Respectfully submitted,

ANTONELLI, TERRY, STOUT & KRAUS, LLP

A handwritten signature in black ink, appearing to read 'Alfred A. Stadnicki', with a long horizontal stroke extending to the right.

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